

## CORPORATE CULTURE AS A TOOL FOR INCREASING EMPLOYEE MOTIVATION

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**Abstract:** Corporate culture is a combination of strategic business perspective and human resource management, resulting in the adequate behavior of managers and employees. On the one hand, it can be a source of strength of the organization and the bearer of its competitive advantage; on the other hand, it might impede the development of the organization or even could be the source of its destruction. The aim of this paper is to present the results of the research in the selected corporate culture of spa enterprises in Northeastern Slovakia, and to assess its impact on increasing the motivation of executives and managers.

**Key words:** corporate culture, motivation, managers, executives, spa enterprises

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### Introduction

The basic objective of any enterprise is to achieve success and prosperity. Since on this objective depends overall enterprise policy, its decisions and concrete actions. Managers of enterprises realize that corporate culture can be a source of competitive advantage, especially if it is regarded as valuable, rare, difficult to copy and is incorporated into its strategic management. Such a corporate culture is a combination of strategic business perspective and human resource management, resulting in the adequate behavior of managers and employees. Corporate culture reflects a character of the company, the overall atmosphere, environment, inner life affecting thinking and behavior of the collaborators of the company. We can also speak about the habits and rituals used in the company and values, which are expressed in behavior patterns and actions of all employees. If this behavior is repeated, then it creates a pattern of behavior that may not be aware, but in creating or adopting rules of corporate culture plays an important role.

### Theoretical Basis of the Research

There can be found a number of definitions and perspectives of corporate culture in the professional literature. As corporate culture considered by Hickman, Silva (1984) is attention paid to company needs, interests and likes of their employees, i.e., what are atmosphere and socio-organizational conditions for creating this. They are mainly relations among people. To create a favourable corporate culture they suggest and recommend to respect the "3C" that is commitment, competence

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(support of the capable), consistency (coherence). The authors conclude that integration of strategic thinking and action with purposefully based company culture is inevitably reflected in the control behavior of managers.

According to Armstrong (2007) corporate culture represents a system of values, norms, attitudes and assumptions which, while perhaps never formulated explicitly, they create the way of behavior and actions of people and ways of performing work. Values relate to, what is believed, is important in people's behavior in the organization. Standards are then unwritten rules of the behavior.

Corporate culture always reflects a certain character, the spirit of an enterprise, internal rules to influence the thinking and behavior of employees, but also the overall atmosphere, which takes place in the enterprise life (Doe, 2004). Kachaňáková (2001) states that the core of the corporate culture is conceived by imaginations and assumptions of management in areas such as relationship to the environment, the time, reality, truth, human society, human relations and so on. From those hidden thoughts, principles, rules and standards of employees' actions are derived and they get the attributes of corporate culture. Following the above levels corporate culture can be divided into:

- 1) **Subjective corporate culture** is its own history and its business leaders, its own approaches towards problem solving and activity management, its own management styles, atmosphere. It is the basis of a management culture, it means its management styles and problem solving, and overall actions of managers. Consequently there is the difference between the same, at least from the first sight, two corporate cultures. The final outcome of the various activities will depend on what kind of management there will be.
- 2) **Objective corporate culture** is usually associated with the physical environment in the enterprise. This means the building itself and its design, its location, equipment, furniture, colours, premises, comfort, reception rooms, parking lots and vehicles. All more or less reflects the preferred values in the company.

The corporate itself culture is an important mean of motivation. Companies with a strong corporate culture have more favourable position in attracting new employees, they have ability for higher competitiveness, they are able to make decisions more quickly and to implement new plans and projects than those that do not focus on this issue. The development of the organization is directly dependent also on the professional preparation and competence of the staff team. Success and position of the company directly depends on the potential that have all employees (Slusarczk and Herbus, 2014). Continuous changes in every business organization tend to seek new solutions in the field of improvement of professional personnel at all levels of the organization, both in the management and professional duties performance by individual employees on operational levels (Grabara, 2014). Since when the human factor plays a key role in shaping safe working conditions in companies, the safety culture as an important element of corporate culture (Tabor, 2016).

Motivation is very important factor linked with corporate culture and conjunction with employees. Beerli and Martin (1994) in Bashar and Abdelnaser (2011) allege that motivation is the need that desires an individual to act and a certain way to achieve the desired satisfaction.

Work motivation is understood as an employee's decision to act. This conclusion occurs if there is sufficient motivating factors that encourage employees to be willing to invest their time and energy to perform daily work. While most employees need more than just a factor of motivation (Kamp, 2000). Based on a combination of motivation factors most employees performed their jobs better, more efficiently, more effectively and with taste. Incentives doing so may have a financial or non-financial form (Hitka, 2006). According to Kampa (2000) one of the myths of work motivation is that employees will be motivated more the more money they will be given for their work. To maintain stable motivation it is not enough. Financial reward in most cases is not the only long lasting and effective motivation tool for effective equitable to all managers and employees. The subject of work motivation research of several domestic and foreign authors (Stýblo, 1993; Maroudas et al., 2008; Sirkova et al., 2015; Vavrek et al., 2014; Kot and Pigon, 2014) are different motivation factors. As it is clear from the conclusions of the survey focused on the importance of incentives and disincentives of hotel staff towards their work, as it was performed on the sample of 159 employees in ten small independent hotels in Poland (Wszendybyl-Skulska and Targosz, 2012), many employees considered low wages as the biggest negative factor in their work, which may mean low wage efficiency as a motivator, which is the essential element of incentive systems at many hotels. Other factors that there were negatively perceived by employees is little possibility of promotion, poor working conditions, insufficient management procedures, unsuitable atmosphere in the workplace and not interesting work. For more than half of the respondents there were good relations with their superiors and colleagues- the most important source of motivation. Nawrocka and Oparka (2007) set out the following motivation factors as the results of their research: motivational bonus, training and education funding, career development, wage motivation, foreign internships.

Based on the comparison of completed surveys common motivation factors are notably job security, working conditions, financial rewards, interesting work and career development. Among the newer motivation factors we could include educational activities, interpersonal relationships in the workplace (between employees in relation to each other and an employee and a manager), success and personality factors (reliability, purposefulness, independence).

### **Aim, Material and Methodology**

The aim of the present paper is to present the results of the company culture research in the two selected spa enterprises in Northeastern Slovakia, and to judge its impact on increasing the motivation of executives and managers. To protect corporate data we will indicate the investigated undertakings as a company A and

a company B. The primary data were acquired by the method of interviewing through interviews with managers of the surveyed enterprises and the questionnaire, which was distributed in person and via the Internet to the employees of the surveyed spa enterprises. The questionnaire survey was focused on the views of managers and executives to corporate culture and its impact on increasing motivation. The questionnaire included four identity issues, 22 issues of scale, four semi-closed questions and 4 closed choice questions. The survey was conducted as a pilot from May to July 2015 due to the fact that the staff is variable during a year and in this period spa enterprises employ the most employees. The research sample consisted of 68 employees of the company A, which represents 42.5% of all employees and 64 employees of the company B, which represents 49.2% of all employees. The key points of the questionnaire survey was to determine the impact of the working environment to motivate employees, the correlation between trust in co-workers and the level of teamwork, analyzing the influence of corporate culture to increase employee motivation, impact assessment of financial and non-financial rewards to increase employee motivation and assess differences in the perception of the impact of financial rewards to motivate the executives and managers. For the purposes of this paper (due to its limited scope) the verification evaluation of the three hypotheses is presented as follows:

*H1: We assume that the working environment has an impact on employee motivation.*

*H2: We assume that the corporate culture significantly affects the growth of employee motivation.*

*H3: We assume that financial rewards have greater impact on increasing motivation than non-financial rewards.*

For the verification of hypotheses, we chose a reasonable mistake of decision-making as it is normally set in the social sciences, at the level of  $\alpha = 0.05$ ; it means, 5%. To test normality files, we used the Anderson-Darling test. As the most of the data did not report normal distribution, non-parametric Mann-Whitney test was chosen to verify the hypotheses. All the calculations were realized through statistical software © MinitabSolution 15.

## **Results and Discussion**

The target groups of our research are two spa enterprises in Northeastern Slovakia - company A and company B. In each of them we examined the opinions from the perspective of executives and managers view. As outputs for statistical processing of the research, we used the answers of respondents. Questionnaires were distributed to 200 potential respondents, while 132 questionnaires were evaluated. The distribution of respondents by age and sex are presented in the Table 1. The questionnaire survey was focused on opinions of executives and managers. Their representation is presented in the Table 2.

In evaluating the results of awareness on the concept of corporate culture, from the people interviewed 75% said they met this concept and knew it. In the company A this concept was met by 72.1% of people interviewed in the company B it was 78.1% of respondents.

**Table 1. The distribution of respondents by age and sex**

Age	Men	Men (in %)	Women	Women (in %)
Up to 25 years	5	11.9%	7	7.8%
26 – 35 years	12	28.6%	19	21.1%
36 – 45 years	10	23.8%	25	27.8%
46 – 55 years	10	23.8%	26	28.9%
over 56 years	5	11.9%	13	14.4%
Total	42	100.0%	90	100.0%

In terms of gender, we can conclude that the concept of corporate culture is rather known by women (81.1%) than men (61.9%).

**Table 2. Representation of respondents by occupation**

Job title	Number	% ratio
Executives	89	67.4%
Managers	43	32.6%
Total	132	100.0%

In terms of education, the concept of corporate culture was met by mainly university educated respondents (85.4%), and those with upper secondary education (77.9%). The least aware of the corporate culture concept were respondents with secondary education without official state final exams (47.8%).

### Results of Hypotheses Testing

*H<sub>0</sub>: We suggest that the working environment has not an impact on employee motivation.*

*H<sub>1</sub>: We suggest that the working environment has an impact on employee motivation.*

Into the testing we included the items from the questionnaire no. 2, 3 and 4. Question 2: Are you satisfied with the working environment in which you perform your job? Question 3: Is your performance affected by the working environment? Question 4: Does, according to you, working environment affect the behavior of employees? These questions are aimed at staff satisfaction with the working environment, influencing workers performance, as well as at the dependence of employees behavior on the working environment. If the respondent answered "yes", we added the value of 4 points to him/her, if he/she answered "rather yes", he was awarded 3 points if he/she answered "rather no" he/she was awarded two points if "no", he/she was awarded 1 point. Subsequently, there was calculated the

arithmetic average of all the points at the respondent of all the given items. These values were further evaluated by means of statistical methods. From the descriptive statistics it is evident that neither data group reported normality set out (p-value calculated by Anderson-Darling normality test is less than 0.05). As the mean value the median is considered, which in both cases represents the value of 3.3333 points. The standard deviation at the respondents of the company A is 0.15 points higher - that is, the values of the company respondents are more dispersed around the mean value of the respondents' answers than in the company B. The difference is negligible. We did not expect statistically significant differences between respondents from the company A and the company B. Due to the nature of the data we verified that presumption by non-parametric Mann-Whitney-test.

**Table 3. Nonparametric Mann-Whitney U-test of the relation between working environment and motivation**

N Median	
Establishment A	68 3.3333
Establishment B	64 3.3333
Point estimate for ETA1-ETA2 is 0,0000	
95.0 Percent CI for ETA1-ETA2 is (-0.0001;0.3333) W = 4862.5	
Test of ETA1 = ETA2 vs ETA1 not = ETA2 is significant at 0.1216	
The test is significant at 0.1146 (adjusted forties)	

The calculated p-value by Mann-Whitney U-test set is greater than the significance level - between the analyzed groups is therefore not statistically significant - we confirm the null hypothesis  $H_0$ : We assume that the working environment does not affect the motivation of employees.

*$H_0$ : We assume that the corporate culture does not influence significantly the growth of employee motivation.*

*$H_2$ : We assume that the corporate culture significantly, by statistics, affects the growth of employee motivation.*

Into the testing we included the items from the questionnaire no. 17, 22. Question No. 17: Does it affect, in your opinion, corporate culture the increase of employee motivation? Question no. 22: Do you feel motivated in company? If the respondent answered those items "Yes", we added, the value of 4 points if he/she answered "rather yes", he was awarded 3 points if he/she answered "rather no" was awarded two points if he/she answered "no", was awarded 1 point. Subsequently, there was calculated the arithmetic average of all points at the respondent from the given items. These values were further evaluated by means of statistical methods. None of the files reported normality set out, for their comparison as above, we used a nonparametric Mann-Whitney U-test.

The calculated p-value is greater than the set level of significance between the groups analyzed, we recorded a statistically significant difference - we confirmed

the null hypothesis:  $H_0$ : We assume that the corporate culture does not influence significantly the growth of employee motivation.

**Table 4. Nonparametric Mann-Whitney U-test of the relation between corporate culture and motivation**

N Median	
Establishment A	68 3.0000
Establishment B	64 3.0000
Point estimate for ETA1-ETA2 is -0.0000	
95.0 Percent CI for ETA1-ETA2 is (-0.2002;0.2000) W = 4608.0	
Test of ETA1 = ETA2 vs ETA1 not = ETA2 is significant at 0.6971	
The test is significant at 0.6949 (adjusted forties)	

The result of our study is probably due to the sample size (the smaller number of respondents), or other factors.

$H_0$ : *The financial rewards do not have greater impact on increasing motivation than non-financial rewards.*

$H_3$ : *Financial rewards are of greater effect on increasing motivation than non-financial rewards.*

Into the testing we included the items from the questionnaire no. 24 and 26. Question no. 24: Are you motivated by financial remuneration and provision of reward for your work? Question no. 26: Are you motivated by moral valuation - non-financial rewards (meaning praise for a job well done, recognition of your personal qualities, ...)? These questions are focused on the impact of the financial and non-financial rewards to raise staff motivation. If the respondent answered "Yes", we added the value of 4 points if he/she answered "rather yes", he has been awarded 3 points if he/she answered "rather no" was awarded two points if he/she answered "no", there was added 1 point. Subsequently, there was calculated the arithmetic average of all the points at the respondent from the given items. These values were further evaluated by means of statistical methods. None of the analyzed groups recorded normality set out – for the comparison there was used again nonparametric Mann-Whitney U-test.

**Table 5. Mann-Whitney U-test of financial and non-financial rewards**

N Median	
Financial rewards	132 3.0000
Non-financial rewards	132 3.0000
Point estimate for ETA1-ETA2 is 0.0000	
95.0 Percent CI for ETA1-ETA2 is (-0.0000;0.0001) W = 16549.0	
Test of ETA1 = ETA2 vs ETA1 not = ETA2 is significant at 0.1295	
The test is significant at 0.1047 (adjusted forties)	

P-value calculated by Mann-Whitney U-test exceeds 0.05. Thus, we can conclude that we have confirmed the null hypothesis: Financial rewards do not have greater



impact on increasing motivation than non-financial rewards, which means there is not statistically significant relation between financial and/or non-financial rewards among employees.

In the response to the question: "Which of financial remunerations do you consider the most important? The respondents answered as follows: The increase in salaries on the first place is expressed by a total 75 (56.82%) of the respondents. On the second place this item was inserted by a total of 7 (5.3%) respondents and on the third by 20 (15.15%) of respondents. 74 respondents (56.06%) voted in favour of perks and bonuses - the highest importance of this possibility was added by seven of (5.3%) respondents, the second place was voted by total of 57 (43.18%) of respondents in the item, and the third place was matched by 10 (7.58%) of respondents. Salary dependent on the performance was chosen by a total of 56 (42.42%) respondents. As the most important motivation factor it was considered by 12 respondents (9.09%), less important 10 (7.58%) respondents, and less important 34 (25.76%) respondents. In favour of paid or subsidized family health care programs voted only 4 respondents (3.03%), although all of them placed this possibility on the third place in the area of preferences. Also 4 (3.03%) respondents considered it important to help with a loan, a mortgage, or insurance – one from those placed it on the first place, one on the second and two on the third.

In the response to the question: "Which of non-financial rewards do you consider as the most important, the respondents answered as follows: The possibility " status " was chosen by 29 respondents (21.97%) on the first place, 5 respondents on the second place (3.79%) and the third place was chosen by 11 respondents (8.33%) for the item. Option "gifts" (eg. holidays) was chosen by 35 respondents (26.52%) on the first place, 28 respondents (21.21%) chose those for the second place, the third place was chosen by 26 respondents (19.7%). Special events (eg. weekend trips, parties) were chosen by 20 respondents (15.15%) on the first place, followed by 26 respondents (19.7%) on the second place, and 9 respondents (6.82%) on the third place. Professional training (courses in the workplace and outside it) were chosen by 15 respondents (11.36%) on the first place, followed by 20 respondents (15.15%) who chose it for the second place, and 13 respondents (9.85%) on the third place. Self- training was chosen by 11 respondents (8.33%) for the first place, 14 respondents (10.61%) gave it place 2 in the importance and 15 respondents (11.36%) place 3. Other perks (company cars, notebooks), as the priority, was considered by 21 respondents (15.91%) and as the second in the order was voted by 14 respondents (10.61%) from total and the third in the order it was voted by 17 respondents (12.88%).

## Conclusions

Corporate culture is no longer unknown term for Slovak managers, although it is still of less interest in Slovak firms to build a corporate culture in comparison with foreign companies. It is caused particularly by poor history, cultural conditionality, size of Slovak companies, but also the formation of corporate culture is not



considered to be so important. Very well presented in Slovakia are multinational companies, which take over the creation of corporate culture from abroad, but it is still necessary to take into account the cultural specificities of the country. Increasingly, the area is developed by individual companies. Our aim was to examine the current state of corporate culture in selected companies and its impact on increasing staff motivation. The results of the conducted research shows that the investigated companies A and B should aim to maintain the present level of working environment, promote teamwork particular form of participation in joint events, improve the impact of management responsibilities to the employees' engagement by introducing uniform rules but also by delegation to employees, improve the system of compensation of employees by establishing criteria for allocating rewards. One solution is to create incentive program of the company, which represents a coherent set of measures in the field of people management and which in response to other management activities management aims to actively work to influence behavior and create positive attitudes of all employees. It is to strengthen the identification of the interests of employees with those of the company, based on the assumption that the development of creative abilities of the human potential of the company and its engagement in favor of the company is a guarantee of a successful meeting its fundamental objectives. The basic premise is to know the internal structure of motivation factors of employees and other personality characteristics as to be motivational program successful. All the company's activities are carried out through human activities. The implementation of each strategy requires staff willing to carry out performance, which is mainly dependent on the level of employee motivation and their attitude to their enterprise. Determination of human needs, finding the ways to meet them is the content of the company personnel strategy, part of which should be a motivation program but on the other hand Halkos and Papageorgiou (2010) state that human harvesting effort can't be greater than the growth of the resources.

Although this study makes significant contributions to theory and practice, it is not free of limitations. Our intention was, to the maximum extent possible, to avoid external influences on the incentive structure of individuals, although we recognize that these effects cannot be completely avoided. We do aware that the collected data from only one specific environment also has its drawbacks, especially that it is the specific environment, is likely to be different from a general population, and therefore we may not be aware of potential influences of our variables. We believe at the same time that the groups of people working at different levels in the hierarchy are defined by different degrees of achievement motivation within this specific environment.

The results of this study should not be generalized, because the survey sample came from just two companies. The survey respondents may also be affected by the current situation, which depends on the mental state of the atmosphere in the company and also the appreciation willingness of the corporate culture influence to increase motivation. In our subsequent research we want to focus on whether there

is a relationship between the trust in co-workers and the level of teamwork between management competencies and involvement of staff and also whether there is a difference in the perception of financial rewards in terms of employee job positions (executives and managers). This research is understood as the pilot, the more detailed one, for enterprise culture, is in its preparation phase for other spa establishments in Slovakia and other countries.

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### KULTURA KORPORACYJNA JAKO NARZĘDZIE ZWIĘKSZANIA MOTYWACJI PRACOWNIKA

**Streszczenie:** Kultura korporacyjna jest połączeniem strategicznego punktu widzenia biznesu i zarządzania zasobami ludzkimi, w wyniku odpowiedniego zachowania menedżerów i pracowników. Z jednej strony może być ona źródłem siły organizacji i nośnikiem przewagi konkurencyjnej, z drugiej strony może hamować rozwój organizacji, a nawet być źródłem jej zniszczenia. Celem niniejszego opracowania jest przedstawienie wyników badań w wybranej kulturze korporacyjnej przedsiębiorstw uzdrowiskowych w północno-wschodniej Słowacji oraz ocena ich wpływu na zwiększenie motywacji kadry zarządzającej i menedżerów.

**Słowa kluczowe:** kultura korporacyjna, motywacja, menedżerowie, kadra kierownicza, przedsiębiorstwa uzdrowiskowe

### 企業文化作為一種工具提高員工的動機

**摘要：**企業文化是企業的戰略業務角度和人力資源管理相結合，在管理者和員工的行為充分所致。一方面，也可以是組織的強度和其競爭優勢的載體的來源，在另一方面，它可能妨礙該組織的發展，甚至可能是它的破壞源。本文的目的是介紹在溫泉企業在東北斯洛伐克選定的企業文化研究的成果，並評估其對提高主管和經理的動機的影響。

**關鍵詞：**企業文化，激勵，經理，主管，溫泉企業